

### Old Age, Disability, Death

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First and current law: 1953 (pension provisions first implemented in 1969).

Type of program: Social insurance system.

**Exchange rate:** U.S.\$1.00 equals 8.76 colones.

#### Coverage

Employees in industry, commerce, and services, domestic employees and self-employed.

Exclusions: Agricultural, and casual labor. Special system for public employees.

#### Source of Funds

**Insured person:** 1% of earnings. Recipients of sickness, maternity, and work-injury benefits also contribute 2% of benefits.

**Employer:** 2% of payroll.

**Government:** 0.5% of earnings.

Maximum earnings for contribution and benefit purposes: 18,414 colones a month; minimum, 300 colones a month.

#### Qualifying Conditions

**Old-age pension:** Age 60 (men) or 55 (women) with 750 weeks of contribution. Reduced pension payable up to 5 years earlier with 1,250 weeks of contribution, if unemployed during preceding 12 months or 50% disabled due to unhealthful or arduous occupation. Retirement necessary. Payable abroad.

Old-age settlement: Age 60 (men) or 55 (women), with at least 250 weeks of contribution and unemployed during preceding 3 months.

**Disability pension:** Loss of 2/3 of earning capacity. Contribution requirement varies with age, ranging from 100 weeks during past 4 years to 300 weeks during last 11 years.

**Survivor pension:** Deceased was pensioner, or covered at death with at least 750 weekly contributions.

#### Old-Age Benefits

**Old-age pension:** 40% of average monthly earnings, plus 1.25% of earnings for each 50 weeks of contribution beyond 150 weeks.

Minimum: 300 colones a month.

Increment of 3% of earnings for each 50 weeks retirement deferred beyond pensionable age.

Child's supplement: 20% of minimum pension for each dependent child under age 16 (21 if student) or disabled.

Maximum pension: 90% of average monthly earnings.

Reduced pension: 30% of average monthly earnings, plus 1.25% of earnings for each 50 weeks of contribution beyond 150 weeks.

Old-age settlement: Lump sum equal to 50% of monthly earnings for each 50 weeks of contribution or fraction thereof.

Adjustment: Pensions adjusted to increases in cost of living.

#### Permanent Disability Benefits

**Disability pension:** 40% of average monthly earnings, plus 1.25% of earnings for each 50 weeks of contribution beyond 150 weeks.

Minimum: 300 colones a month. Granted initially for provisional period of 2-3 years.

Child's supplement: 20% of minimum pension monthly for each dependent child under age 16 (21 if student) or disabled.

Constant-attendance supplement: 20% of average monthly earnings.

Maximum pension: 90% of earnings.

#### Survivor Benefits

**Survivor pension:** 60% of pension paid or accrued to insured.

Payable for life if widow over age 55 or disabled; otherwise for 3 years or until minor children reach age 16.

Orphans: 30% of pension paid or accrued to insured, or 40% if full orphan, for each child under age 16 (21 if student) or disabled.

Other survivors: 60% of pension for 2 surviving parents, 40% for one.

Maximum survivor pensions: 90% of pension of insured.

Funeral grant: 2 month's earnings. Minimum, 2,768.40 colones.

#### Administrative Organization

Salvadorian Social Insurance Institute, an autonomous agency, responsible for planning, management and administration of program.

Supervised by board of twelve directors including the Minister of Labor, representatives of other ministries, the Director of Social Insurance, and representatives of management, labor and other professional groups.

### Sickness and Maternity

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First law: 1949.

Current law: 1953.

Type of program: Social insurance system. Cash and medical benefits.

#### Coverage

Employed and self-employed persons in industry and commerce and pensioners.

Exclusions: Agricultural, domestic, and casual employees.

Special system for public employees.

#### Source of Funds

**Insured person:** 3% of earnings. Self-employed, 10.50% of earnings. Pensioners, 6% of old-age and disability pensions except child supplements. Covered public employees, 2.67% of earnings.

**Employer:** 7.50% of payroll. Covered public employees, 6.68% of payroll.

**Government:** Annual subsidy of not less than 5,000,000 colones (adjusted every 5 years).

Maximum earnings for contribution and benefit purposes: 6,000 colones a month; minimum, 300 colones a month.

Above contributions also finance work-injury benefits.

#### Qualifying Conditions

**Cash sickness benefits:** No minimum qualifying period for persons currently employed. If unemployed, 8 weeks of contribution during last 3 calendar months preceding application.

**Maternity benefits:** 12 weeks of contribution during last 12 calendar months before confinement.

**Medical benefits:** No minimum qualifying period for persons currently employed. If unemployed, 8 weeks of contribution during last 4 months preceding application.

### Sickness and Maternity Benefits

**Sickness benefit:** 75% of average monthly earnings received during first 3 of last 4 months.

Payable after 3-day waiting period for up to 52 weeks.

**Maternity benefit:** 75% of average earnings, payable for up to 12 weeks. Also, free milk for up to 12 weeks and layette.

### Workers' Medical Benefits

**Medical benefits:** Medical services ordinarily provided through facilities of Social Insurance Institute or private services. Home care available in emergency cases. Includes medical and surgical care, hospitalization, drugs, laboratory services, maternity care, dental care, and appliances.

Duration: 26 weeks (may be extended to 52 weeks).

### Dependents' Medical Benefits

**Medical benefits for dependents:** Wife receives pre- and post-natal care, milk allowance, layette, and medical and dental benefits for sickness and accidents.

Children up to age 5 receive ambulatory care but no dental care.

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Institute operates own clinics and hospitals; it also contracts services from the Ministry of Health and the private sector where required.

### Temporary Disability Benefits

**Temporary disability benefit:** 75% of average monthly earnings received during first 3 of last 4 months.

Payable from day after injury, until recovery or award of pension, for up to 52 weeks.

### Permanent Disability Benefits

**Permanent disability pension:** 70% of average monthly earnings during last year if disability greater than 66%. Minimum: 550 colones a month. 60 colones a month for each dependent child under age 16 (21 if student) or disabled.

Child's supplement: Same as old-age benefit.

Constant-attendance supplement: 50% of pension.

Partial permanent disability: Percent of full pension corresponding to loss of earning capacity, if disability between 35% and 66%; if between 20% and 35%, temporary pension equal to double amount of permanent pension according to percent of disability, payable for up to 3 years.

### Workers' Medical Benefits

**Medical benefits:** Same as for ordinary sickness above.

### Survivor Benefits

**Survivor pension:** 60% of pension to widow; 30% of pension, for each child under age 16 (21 if student) or disabled; 40% if full orphan,

Maximum survivor pension: 100% of pension payable to insured.

Funeral grant: 2 month's earnings, minimum 2,768.40 colones.

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## Work Injury

First law: 1911 (replaced by 1963 labor code, in force for workers to whom social insurance not yet extended; provisions not shown).

Current law: 1953 (social insurance).

Type of program: Social insurance system.

### Coverage

Employed and self-employed persons in industry and commerce.

Exclusions: Domestic and casual employees.

Special system for public employees.

### Source of Funds

**Insured person:** See sickness insurance contributions above.

**Employer:** Same.

**Government:** Same.

### Qualifying Conditions

**Work-injury benefits:** No minimum qualifying period.

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